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# FREE TRADE AND PROTECTION.

CONSIDERED WITH RELATION TO

## Canadian Interests.

BY

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## INTRODUCTION.

The writer wishes, at the commencement, to put the motives of the present work beyond the reach of misconstruction. Some gentlemen, aware of and friendly to the true interests of Canada, inquired of him on what terms he would write them a short pamphlet on the advantages procurable by this country from Protective measures. His reply that his labor should be gratuitous, on the condition that the distribution should also be so, led to the present issue. The writer has, in the matter, no other personal interest to urge than that which is common to all Canadians—he expects, if the measures he advocates be adopted, to profit by the ensuing rise in the value of property and the increasing prosperity of the country. He has no interest in manufacture, nor even any personal acquaintance with manufacturers, holding that such matters should be managed, not with respect to the wishes of such manufacturers as may be among the people, but to the wishes of the people as to what manufactures they desire to encourage among themselves. He does not wish to propose Protection as the only measure needed, considering the country much in want of many others as well; but he believes it by far the most pressing necessity of our position. Had space allowed, a memoir would have been added, giving brief commercial histories of all civilized nations, synopses of commercial treaties, descriptions of commercial measures, and their results at each period. But postal convenience enforcing brevity, the memoir was expunged, as was also a statement of various national debts, amount yearly payable to Britain, and description of the British moneyed interest as separate from her manufacturing interests, and a long list of manufacturing establishments closed in Canada in the last four years. Believing, however, that the evils suffered by Canada are mainly owing to the care with which truths have been concealed from her people, he trusts that all who are interested in the matter will follow up the outlines he has drawn by careful search for themselves. But it is impossible that a young, spirited and aspiring nation, the innate hardihood of whose sons gave North and South thirty thousand volunteers in a cause of no national interest to them; whose enterprise and industry form the chief elements in many an alien State, should long remain deceived by the misrepresentations and plastic to the hands of designing persons whose only wish is our continuance in the degrading position of mere growers of raw material for other lands—a position a London newspaper of last week informs us is all we are naturally fitted for—a statement which a Toronto daily has enthusiastically copied and endorsed. How little such persons understand Canadian feelings events are about to show.



# ADVANTAGES OF PROTECTION.

BY R. W. PHIPPS.

IN these few pages are stated, as fully as space would allow, the reasons why Protection to Canadian Industries is likely to better the condition of Canadians, whether farmers or townspeople. As it is a question of great moment to all, the writer hopes that many Canadians will read it through, and then hand it to their neighbors. The reader may find the study of facts and figures dry, but he is asked to inform himself of the contents nevertheless, as on the success or failure of these arguments, and such as these, to induce proper legislation on the subject, depends the prosperity or poverty of his country, and probably of himself.

## THE COUNTRY EXCLUSIVELY FARMING.

Let us consider the state of one country where farming is the sole business and of another where manufacturing is also carried on. It is plain that the farming country must be very thinly populated. For its farmers, buying their manufactures abroad, must send farm produce to pay for them—must, as it is called, farm for export. Now, farming thus, they can grow but what will bear long carriage, namely, the hard grains such as wheat, corn, barley, peas and oats ; or cattle, the salted flesh of which they can send. The distant transport of live cattle is tried, but not with great success. These, with some butter and cheese, comprise the principal dependence of the exporting farmer. To raise these, needs but one or two men to the hundred acres, and, if the country have much stony, swampy, or poor land, there may be but one or two men to two or three hundred acres. As they will not keep many cattle, there will be little work in feeding in the winter, and men will only be hired for the summer months. One or two cities on the border to act as ports or outlets for their produce and inlets for the manufactures they buy, and a few villages as distributing points through the country inland, will be all they will need. It would be a poor country, as its people will necessarily be widely scattered. Such a people, too, grow poorer, for they must break a natural law. They cannot return manure to the soil. At first, while the land is new, they grow wheat after wheat. The result is well known. The potash and phosphates are drawn from the soil till the best wheat will grow no more. Then poorer kinds are tried, and then barley, with a result shown by Johnson in his notes on North America, thus :

“When the wheat fell off, barley, which had at first yielded fifty or sixty bushels, was raised year after year, till the land fell away from this too, and became full of weeds.”

The country will now grow poorer, until about this stage it needs more manufactures than it can grow food to pay for. It commences to send year by year less to the manufacturing countries where it buys its manufactures than it brings back of their goods. This is what is known as the balance of trade being against it. What is it to do ? It finds rich people in the manufacturing lands, and it borrows of them, and pays year by year the balance against it with borrowed money. Finally it sinks into utter weakness, and is conquered by some powerful neighbor. This must be the fate of a farming people depending on the export of farming produce alone.

## THE FARMING COUNTRY WHICH MANUFACTURES ALSO.

Let us now glance at the country which has introduced manufacturing. By the side of its rivers, where the first would have but pasture, this will use the water-power for cotton mills and woollen manufactories, for cutlery, for tool-making, for flax and worsted mills, for all the varied forms of manufacture the water-wheel can aid. Its mines of iron, of copper, of lead, of coal, above which our first described friends would have had some few sheep grazing among

the stones, will each be the centre of a number of villages, and the source of material for the workmen of a town. Here and there, all over the land, will be large cities, where foundries, factories, and workshops have formed the centre to which population has flocked. The farmers here will find themselves in a different and better position than did our first foreigner-depending friends. These will have markets close at hand. They will save the cost of sending their produce thousands of miles, and of bringing back goods the same distance. They will be able to work their land to advantage, and give it that rotation of crops which is so necessary to good farming, having a market adjacent not only for grain, but for roots, fruit, hay, straw, cattle, sheep, horses, and all other products of the soil. Their power of furnishing butter and cheese will be greatly helped by their opportunity of fattening and selling worn-out and inferior cattle. They will be able, having a good market for superior mutton among the rich townspeople, to grow a better class of wool, say the Southdown rather than the Cotswold. And, more than all this, they will have the hundred chances of getting manure which near cities and home consumption of food give to the farmer. It will follow that they will be able to hire men for all the year round, to the advantage of both employer and employed. Farming will cease to be the drudgery land-starving for export must be, and become the pleasing and profitable science it is under natural conditions. The farmers' sons will have, if they choose to stay on farms, a good prospect; if they choose another profession, the thousand openings in the manufacturing towns around will give them ample field. That agriculture does so thrive near manufacture, all know who know European farms, and America is no exception. The richest State acreage given last year in the States was Rhode Island, \$33; the next Massachusetts, \$30. As for the townspeople in this region they will correspondingly thrive, because their market is secure among the thriving farmers around them. They will save money, and the towns and cities will, as such always do, yearly supply a retiring quota of citizens who think themselves rich enough. That not useless class, the men of leisure, will exist, and for them and others will now arise art in all its branches. Cities will be enlarged and beautified; foreign trade, exchanging home surplus for distant luxuries, will necessarily be large. The home demand for food will increase, and will push out to its fresher fields new colonies of farmers, causing fresh factories where they go. It illustrates—it always has illustrated—this great fact. The workshop should be near the field.†

#### THE COMMERCIAL POSITION OF CANADA.

It is too generally imagined that Canada is a country which grows and exports large quantities of wheat, pork, oats, barley, cattle and other farming produce. Canada could have grown them for all time, had she taken care of her soil. But free trade has so injured her fields, as will be shown, that she seldom grows much more than enough wheat for her own consumption, and never enough pork. Since her wheat land failed, barley has been tried, and this will last some little while. Of this, with some peas, oats and cattle, are her exports of farm produce, the whole being very small indeed for a country of her size and climate. In our yearly list of exports we appear to sell a quantity of farm produce, but much of this comes from the States, and is merely going through Canada. What we have sold most of for many years has been lumber; but we have, by late official reports, not much of it left. The Dominion trade in five articles has been:

1873.			1874.		
	IMPORTS.	EXPORTS.		IMPORTS.	EXPORTS.
Wheat.....	\$6,894,427.....	\$8,943,876	Wheat...	\$9,910,000.....	\$15,046,000
Flour.....	1,815,133.....	2,958,154	Flour.....	1,738,000.....	3,273,000
Indian Corn.....	4,360,854.....	3,987,388	Indian Corn...	2,676,000.....	1,117,000
Pork.....	1,227,876.....	2,860,000	Pork.....	1,694,000.....	1,900,000
Swine.....	1,265,813.....	84,531	Swine.....	1,475,000.....	62,000

† Consider what it is to bring a city. Toronto is assessed at fifty millions of property—about three-tenths for land, 30 millions for houses principally. Build a house in any farming district, and for lumber, stone, bricks, food and wages, three-fourths of your outlay will go to the farmers and residents around. So with a city. To build one is to spend much of the value of one among the people where you build it.



1875.			1876.		
IMPORTS.		EXPORTS.	IMPORTS.		EXPORTS.
Wheat	\$6,657,000.	\$8,420,000	Wheat	\$8,070,000	\$10,416,000
Flour	2,462,000.	1,583,000	Flour	1,906,000	2,206,000
Indian Corn	2,457,000.	1,583,000	Indian Corn	2,356,000	1,447,000
Pork	1,940,000.	1,325,000	Pork	1,412,000	1,318,000
Swine	816,000.	152,000	Swine	662,000	14,000

  

1877.			1877.		
IMPORTS.		EXPORTS.	IMPORTS.		EXPORTS.
Wheat	\$4,846,000.	\$4,102,000	Wheat	\$4,846,000.	\$4,102,000
Flour	2,964,000.	1,525,000	Flour	2,964,000.	1,525,000
Indian Corn	4,259,000.	2,583,000	Indian Corn	4,259,000.	2,583,000
Pork	2,194,000.	1,735,000	Pork	2,194,000.	1,735,000
Swine	181,000.	11,000	Swine	181,000.	11,000

These dates are to July each year ; each amount shows the previous harvest. It will be seen that our Dominion—which buys from one hundred to one hundred and thirty millions annually of foreign goods—can only send towards paying for them—as far as wheat and flour are concerned—about three millions annually—a fact which shows what tricks free trade has played with our wheat land. Of pork we have had, instead of having any to send away, to buy a couple of millions worth for ourselves, besides buying about six millions worth of Indian corn. These figures are undoubted ; they can easily be verified by reference to the Government blue books, published each year. No doubt it will be asked what do we export? We have exported of barley, oats and peas lately from six to ten millions worth per annum, some cattle and horses, and a good deal of lumber—which last is getting scarce with us. We have, under the free trade system, drained our land of the rich wheat soil and the good lumber, and we are now running on the coarse grains, what cattle we can send, and what little lumber is left. And notwithstanding all we can do, every year so many foreign goods are sent in that we have to go in debt a balance of trade of twenty, thirty or forty million dollars a year. There is no hope whatever but that matters will get much worse under the present system. There have been three successive deficits—next must come direct taxation, and a general exodus would follow. It is proposed to remedy this by manufacturing ourselves much of what we import ; and this will be treated of in the following pages. The States have adopted this system. This list gives an idea of their tariff compared to ours:

Canadian Duty.		American Duty.		Canadian Duty.		American Duty.	
Wheat	Free.	20c. per bush.		Pig iron	Free.	\$7.00 per ton.	
Rye and barley	Free.	15c. per bush.		Bar iron	5 ¢ ct.	35 to 75 per cent.	
Indian corn and oats	Free.	10c. per bush.		Plate and boiler iron	5 ¢ ct.	\$25 and \$50 per ton.	
Wheat flour	Free.	20 per cent.		Iron rails	Free.	\$14 per ton.	
Rye flour and corn m'l.	Free.	10 per cent.		Steel rails	Free.	\$25 per ton.	
Oatmeal	Free.	½c. per lb.		Bricks	Free.	20 per cent.	
Potatoes	10 ¢ ct.	15c. per bush.		Trees, plants & shrubs	10 ¢ ct.	20 per cent.	
Live animals	10 ¢ ct.	20 per cent.		Flax, dressed	Free.	\$40 per ton	
Coal	Free.	75c. per ton.		Flax, undressed	Free.	\$20 per ton.	
Salt	Free.	In packages 12c. per 100 lbs. ; in bulk 8c. per 100 lbs.		Flax seed	Free.	20c. per bushel.	
Wool	Free.	25 to 50 per cent.		Starch	2c. ¢ lb.	1c. per lb. and 20 ¢ cent. <i>ad val.</i>	

The following articles, all of which in our tariff come under the general figure of 17½ per cent., are, by the American tariff, charged with the rates under-mentioned :—

Wood Screws	56 to 60 per cent.	Cotton yarn	46 to 60 per cent.
Saws	40 to 50 “	Spool thread	47 to 81 “
Cars and locomotives	35 “	Silk cloths	50 to 60 “

† *Mail* computation. An error is noticeable in items of R.R. cars nominally seventeen and a-half per cent against thirty-five ; but really there is a pleasant little railway agreement which lets them in free reciprocally. Consequence, not exactly reciprocity. We hear last week that 350 cars are building in Detroit alone for Canada, while our car works have about shut up shop. They build them cheaper and better in the States and will till we try the tariff remedy. Said a railroad man to the writer, “I can buy cars in the States, at 20 per cent less than here.” The writer asked, “What if we put on 30 per cent tariff?” Said the railroadman, “They will bring their establishments to this side.” Others would follow them, and presently we should make cars here as cheaply as they do there, perhaps cheaper, as soon as tariffs persuaded capital to compete.

There is no doubt that the allowing free entrance to American peas, oats, wheat and so on, injures our farmers. The farmer is deprived of what he would find very valuable—the power to grow a succession of different and remunerative crops. In many cases, reading, as he too often does, some newspaper which conceals from him purposely the facts, he is worked to exhaustion, makes little for it, and does not know what hurts him. In plain terms, all our people, whether they grow grain or make cloth, whatever they produce, are undersold occasionally. This tends to keep prices—remuneration—always low. It keeps all poor, for the benefit of the trader—the middleman of the ocean—our Old Man of the Sea—who, sitting on our shoulders, is driving us to death.

Machinery .....	35 per cent.	Linen cloths .....	30 to 40 per cent.
Stoves and other iron castings.....	30 "	Rubber and leather goods, fur	
Woolen cloth .....	66 to 70 "	goods, glass bottles and lamp	
Flannels and blankets.....	85 "	chimneys, clocks, furniture, car-	
Ready-made clothing .....	35 to 60 "	riages, envelopes, writing paper,	
Carpets.....	50 to 84 "	room paper, felt hats of woo	
Alpaca goods .....	85 "	guns, rifles pistols, umbrellas	
Heavy cottons .....	40 "	and parasols .....	35 "
Finer cottons.....	50 to 70 "		

There is no possibility of better times if our present course be persisted in, and for this reason. In the States and elsewhere are competitors who can grow and export certain produce cheaper than our farmers can.\* This will always keep our farmers down to the lowest point in what little they have to sell abroad. Moreover they are deprived of their own market at home, because opposite to them is the immense tract of the States, commanding theirs by railroad at all points. Now, as at one point the States can grow cheaper wheat, at another cheaper corn, at another cheaper oats, at others has cheaper manufactures and cheaper coal, it follows that all Canadians are undersold and kept at the lowest prices in their own market. The farmers in Canada are deprived of their natural market—the towns—by the same means. All our manufacturing people are in process of being driven to the States by our foolish regulations, where the States farmers feed them. Ours cannot, for the U. S. tariff prevents. To show the natural number of people who should form a home market:—In the States in 1870 there were engaged in occupations twelve millions of people. Six millions were farmers, a million in trade, two and a-half millions in professional and personal services, and two and a-half in manufacture. As the States export far more farm products than manufactures, and import a good deal of the latter, it follows that about one-third farmers is, in America, the correct proportion to population, and it will be found that this calculation proves itself both ways, *i.e.*, by comparing numbers, cost of living and amount of products. But in Canada we have actually twice as many farmers as others—and this in a country liable to be undersold in farm produce! It is plain that, by the absence of towns, manufactures, and home markets which of right belong to us,—and of which some others in some parts of the world have unfairly our share—our farmers and our whole country are kept poor, our best men leave yearly for the States, and our balance of trade—buying manufactures from foreigners we cannot pay for—is always heavy against us, and our debt more and more each year. Mistaken people whom we carelessly allow to get office here, go round telling us that this is all right. Mr. MACKENZIE and Mr. MILLS, for instance, tell us that this importing more than we export is merely showing a large profit on our goods. These gentlemen must have studied commerce from Robinson Crusoe. It is true that, two centuries ago, when voyages took years, goods, as old records tell, “when well bought in London sell at 150 to 200 per cent profit.” But now let the writer give the general course of Canadian trade. Take the British, our chief trade, and a fair average instance. Whether it be grain, flour, meal, ashes, butter, cheese, or pork, it is bought by a Canadian buyer, who holds it till he gets a telegram from a British buyer in Liverpool, telling him the British buyer will give a certain price, which is to cover freight and exchange. For his trouble the Canadian buyer charges a commission—very low,—from  $\frac{1}{2}$  to 2 per cent. This is done with British capital—the actual buyer is British, and he it is who receives any profit the voyage may give the article—*i.e.*, if the price rise before he gets it, and, of course, what more he can get for it after. This is also done in the lumber trade, though commissions are rather larger. So much for what we sell. Now how do we buy? Some of our

† What the farmers lose by one-sided tariff arrangements is beyond computation. A lumberer said to the writer, “I used to feed forty teams with oats I raised; but United States oats entering free, I found I was losing by farming, gave it up, and bought United States oats.” There is no farm in Canada but is losing by the United States tariff. As to the hope of lowering it—of reciprocity—it is utter folly. The States *cannot*, with their obligations—grant reciprocity. Their tariff will not be lowered. But we can heighten ours, and our farmers will make what theirs are making. Who will object?—our cities are the consumers—give their workmen the wages Protection will give them, and not a man of them will ask cheap United States oats, flour, or pork. When did farmers get such poor prices for all produce as since our Free Trade Government got in? Eggs, butter, beef, mutton, are a drug in our cities—our operatives are gone, or are too poor to buy them. As for shipping cattle, Ireland tried that long enough with twice our chance. Did it enrich her?



wholesale traders are merely direct agents of foreign houses. Many more of them work their business on British capital represented by goods given them on long credit, and to that extent are mere agents of British houses also. The reader from this will clearly see that in both buying and selling the profit of the trade with Canada is principally monopolized by Great Britain, and can see the folly of those who go round telling us the balance against us is the profit we make. Particular instances may vary, but the mass of trade is done thus. Between the grower of food and the maker of goods are many middlemen, and the more roads and oceans between the more middlemen. By the time the stuff is through the gauntlet it has to run, there is little goods to come to the farmer, little food to come to the workman. The true remedy is protection, which shuts out foreign goods, brings the workshop close to the farm, and does away with the need for the army of buyers, agents, and dealers who now stand between.

#### THE POLICY OF BRITAIN.

The policy of Britain had never been free trade.\* For centuries she had protected her industries by very high tariffs. Her isolated situation, the courage of her sons, their genius and their industry, gave a further protection. The wars which successively desolated every other scene of European industry but brought fresh employment to her manufactories. Improvement succeeded improvement, till her prices were far below those of her rivals. They neither did nor could send their goods to her ports. Before what was called free trade was introduced, here is the sum total, according to Mr. Whitney, which the British Custom Houses were receiving:—coffee, £888,563; breadstuffs, £576,047; currants, £221,197; spirits, £2,410,184; timber, £1,488,531; butter, £262,967; cheese, £136,054; fruits, £290,960; seeds, £107,111; silks, £244,076; sugar, £5,123,986; molasses, £193,546; tallow, 206,464; tea, £3,978,518; tobacco, £3,580,164; wines, £1,800,128; miscellaneous, £2,098,268. The “miscellaneous” was little but raw material. It is plain from this that when Britain, thirty years ago, abolished her duties, she had no cause to fear importations. Under the various protective influences stated above, most of her home-made productions had become the cheapest in the world. Had it not been so, in a short time the imports from foreign factories would have closed those of Britain. There was no fear of that. The plan of the English free traders was as follows: They wished to make England what Venice and Holland had successively been—the warehouse and carrier of the world. To do this, they sacrificed all to cheapness. The navigation laws—which had produced the British sailor—they repealed, and mixed their crews with the half-paid lazzaroni of every foreign port. They could, as stated above, dispense with most duties without fear, and they did so, thus making ingress and egress to their ports unimpeded and free. They knew that, could they make their country the market-place of the world, in that market-place the agriculturist of every nation, and the raw material of every land, would display their productions, and strive to undersell each other. They thus secured to their workshops the cheapest food, the cheapest material of the world; and but for Trades’ Unions—the confusing spirits which thwart modern Babel-builders—would have had the cheapest labour, for the free trade plan included free trade in workmen as in sailors, and would have, if unchecked, brought labour there from every land to compete and underbid the workmen of the soil. Yet, in spite of this, the three great elements, cheap ships, food, and material, made England for twenty years supreme in manufacture. All countries paid her tribute of raw material, and bought it back manufactured at quadrupled prices. To use a rude metaphor, they sold her the hide for sixpence and bought back the tail for a shilling. Her free trade league used every effort to maintain their position. They found many advocates; they were able to pay many, their influence seduced more. British noblemen thought it not incorrect to advocate schemes innately most nefarious, that the infant manufactures of foreign lands might be crushed to bring Britain wealth; and writers of high scientific eminence were not ashamed to allow the publication of editions shorn of the passages in which they had formerly advocated protective measures—passages in the truth of which they still believed. But all has been in vain. Europe, Asia, and America have alike observed that poverty follows the nations which import manufactures, and have resolved to make their own.

\* Great Britain prohibited, on penalty of outlawry, her artificers from teaching their trade abroad, and prohibited the export of tools or engines used in manufacture, under penalty of fine and imprisonment to shippers, captains and customs officers. She prohibited the colonies from manufacturing, by rendering illegal the carriage of such goods from province to province, and by rendering punishable the working of ore beyond its running into pig iron. To this day the old hidden furnaces—the traces of evasion—are found in the Alleghanies. It is curious to follow her protection of the home production of iron. In 1679 she imposed 10s. per ton; in 1715, £2 10s; in 1782, £2 16s; in 1796, £3 10s; in 1803, £4 4s; in 1813, £6 9s. This gave her the complete control of her home market, and the competition therein made her iron the cheapest in the world, as may be seen by these prices in 1825:—France, £25 10s; Sweden, £13 13s; Belgium, £16 14s; Russia, £13 13s; Germany, £16 14s; England, £10. England also protected her shipping by the Navigation Laws (which first transferred naval supremacy from Holland to Britain). These provided that no goods should land in Britain but from British ships, or ships of the country producing, or ships of the country where shipped. People who talk of Protection injuring American naval greatness, should remember that the United States protects none but their coasting trade. The foreign is open to the world. Protection (i.e., a Navigation Law as above,) would secure it to themselves; but they think it better to employ foreign nations as carriers.

## THE RESULT TO BRITAIN.

Though the manufacturing and carrying trade of Britain grew enormously at first under the free trade policy, and is yet very large, for her trade to nations less advanced in knowledge is immense, yet it is doubtful whether the results to Britain have been really advantageous. Possessing, herself, the most wealthy, luxurious and expensive population, and the chief carrying trade in the world, the ability to take a back cargo, either for home use or for that trade, secures her a market with some nations. Her great money-lending influence helps her to influence the tariff system of others. Her armed force has compelled some nations to do her bidding, and hope of her assistance in war has induced others commercially to favour her (as in the case of Napoleon III). For all these reasons it has followed, that though other goods may now be—as many are—cheaper and better than hers, their introduction into the markets Britain supplies is a work of time, and thus we often observe that a foreign nation can undersell Britain in British cities, but cannot at once take her foreign market in the same goods. The vast capital of her manufacturers, also, has enabled many of them, of late years (partly to crush foreign rivals, partly in hope of better times) to run mills, mines and furnaces at an actual loss, thus sending to foreign ports what are called slaughtered goods—sold at lower prices than they cost the makers—a system, of course, incapable of continuation, but which tends for the present to perpetuate trade. The pressure of foreign competition has likewise forced some British manufacturers—where no pressure should have forced honest men—into the vile paths of adulteration, and has mixed their hardware with poor iron, their cloth with shoddy, and their cotton with barytes. This pressure is caused simply by one great force. All educated nations saw that, though British goods might cost less money than they then could make them for at home, yet going to Britain for them would close all their own manufactures, make themselves poor, and Britain rich. They have universally determined to do nothing of the sort; have encouraged their own factories by high tariffs, and now find, many of them, that they can produce goods cheaper than Britain ever sent them. America is actually selling cottons and hardware in London, and Belgium is sending her locomotives and girders into the English Black Country—the home of the mine.

The system of free trade has been in one respect—temporarily—successful in Britain. It has accumulated great wealth. But it has likewise done great injury. As remarked above, it rendered all transportable food cheap. But it cannot render animals cheap, they not being cheaply transportable, and this discourages grain growing, and encourages grazing, which occupies a far less number of men. This tends to encourage large farms, and break up small ones, thus destroying the true strength of the country—the small freehold or leasehold farmer a class of Englishmen who have done more for Britain, more for the world, than any other. Four thousand Buckinghamshire freeholders rode down to London to support Harpden against King Charles. The shire could furnish few such now. The accumulation of wealth in Britain has also assisted in this injury, for as the Norman Conqueror formed his New Forest by slaying or banishing many thousand poor inhabitants, so the modern general of bank note legions closes his leases, buys out his poor neighbour, forces the surrounding populace into emigration, and forms his great steam worked farm, or his magnificent park. Similar forces have changed Irish farm holdings into wildernesses of pasture; and Scottish countries which once furnished successive armies to the Chevalier, to Wolfe, and to Wellington, into sheep-walks, shooting moors and deer-ranges, where an occasional shepherd or game-keeper are now the solitary witnesses of what desolation luxury has wrought. The vast cities, the great accumulations of industrial force her new system has created in conjunction with the above, tend always to decrease proportionally the rural, to increase the city population. The former may be as many as they were, but comparatively they are much less. A British army cannot now have its old proportion of sturdy rustics. Morally, also, great evil has been done. The exclusively commercial train of thought—the supremacy of the money test—has changed, we are told, the British character, once the most sturdily honest and independent in the world. “Fifty years back,” says Carlisle, “all England rose determined to do a fair day’s work; now to do as little and get as much for it as it can.” These are the evils which follow such measures as those of Peel—the attempt to draw to one country the manufactures, wealth and art, which should be divided among all. Britain is rich in wealth, in ships, in men. As rich, and much richer as the world then stood, was the Persia of Xerxes. But it was no longer the Persia of Cyrus.

## THE TRUE COURSE OF BRITAIN.

The so-called free trade policy of the British Empire has concentrated manufacture, wealth, art, and learning in Britain, but has kept her colonies as poor as she is rich, as weak as she is strong. These immense regions, capable of supporting great populations, possessing in themselves vast manufacturing facilities, have ever been discouraged from using them. Canada and Australia—which, had they attended to the farm less and the workshop more, would now be powerful and prosperous countries, able, in case of war, not only to defend themselves, but to assist the mother land—are mostly uncultivated wildernesses, which do not attract colonists because agriculture becomes less and less profitable the farther it is located from its manufacturing supplies; and because the States is always open to them, where, besides the foreign market, they have the exclusive possession of what great manufactures render the best home market and depot for purchase in the world. The farmer throughout many of the United States can vary his crops, and finds



eady sale for every kind of produce at the nearest of their numerous cities. The emigrant to the British colonies, if not a farmer, can find little work. In the States he finds at every turn, numerous factories, only inferior to those of Britain. For these reasons, during the past forty years, emigration and capital from Britain, slighting the colonies, has poured into the States till their population numbers forty-five millions, while Canada has but four millions, thinly scattered along her great frontier; and the vast resources of Australia, far from being developed, are yet scarcely known. Nor is it the States alone which have thus benefited by this misdirection of British energy. The British capital and labour spent during the last forty years, in assisting rival or hostile nations in Europe, would, had Canada or Australia been encouraged to manufacture, have there found full employment, and have there established large nations, neither rival nor hostile.

#### WHAT SHOULD BE DONE.

It is often officiously explained to Canada, by politicians who generally come from the States and always wish to annex her to them, that tariffs framed to keep out English manufactures are necessarily hostile to Britain. The very contrary is the case. Britain is now beset by many rivals, and has many enemies. She will find herself, sooner or later, attacked through her colonies, where distance will render the defence tenfold more expensive than the attack. For instance, the fleets and revenues of half Europe would find work sufficient in defending our Manitoban frontier alone against the United States. The only security against such possibilities exists in strengthening the colonies. The only means of adding to their strength is in encouraging their manufactures. Britain has already recognized this necessity sufficiently to allow tariffs against herself; she should go further and encourage their being heightened. If she do not the colonies should, for her sake and their own, adopt the measure. Were foreign manufactures shut out from Canada the British manufacturer could profitably and would rapidly bring his machinery and his capital here. The United States manufacturer would do the same. Canada would be dotted with small manufacturing towns, the presence of which towns would create a large home market and bring a large farming population from Europe to supply it. Vast areas of Canada are of soil only capable of profitable cultivation when the market is near at hand. Numerous resources which Canada possesses, must lie forever dormant, unless brought into requisition by the necessities of adjacent cities. It should likewise be considered that this measure would draw from the United States that surplus floating population which in time of war would be used against us, and would naturalize it within our borders. For these reasons and many others, the adoption by Canada of a rigid protective tariff is the only means of rendering her a powerful member of the British Confederation. The adoption by the colonies of similar tariffs is the only means of rendering India contented and prosperous, and Australia and Canada the populous and powerful communities they should rightly be. Britain would lose nothing—she would gain much. What manufacturing power left her shores, would simply be transferred to her colonies. Now Britain is strong, but the colonies very weak—India through disaffection—Canada and Australia by size of territory and lack of people. At any moment Britain may be plunged into war, in which to defend them she must double her debt, and see her merchant marine transferred to neutral flags, with ruinous results, in these days of sharp national competition, to her industries. It is extreme folly to risk this, merely that wealth and population may chiefly remain in the central point. But let tariffs transfer their share of manufactures to the colonies—population and wealth will follow, and the great British Empire will soon be strong, populous, loyal, and defensible at every point.

#### THE EFFECT OF PROTECTION IN THE STATES.

As the reader is aware, the Southern States opposed protection. The slaveholder had only slave labour, too rude, dull and spiritless for aught but coarse field work. He cared but to grow cotton and tobacco for Britain till his fields were run out, leave them to weeds, and move to richer soil. He did not wish the North, either, to grow too powerful and rich by manufacturing, doubting the end when it should grow too strong for the South. But the North knew well the road to national wealth, and strove hard for protection. The result was alternate periods of low and high tariffs, as North and South ruled. At last the South drew the sword. The North won, and in 1861 established the present high tariffs on manufactures. The average States tariffs of this century, as stated by the *N. Y. Merchants Magazine*, 1861, are:

Date .....	1821-24.	1824-28.	1828-32.	1832-41.	1842.	1842-46.	1846-57.	1857-60.	1861
Average duty..	34½	38½	41½	31½	28½	33	24½	20½	Greatly Increased

The effect of these tariffs in the States has been to bring there the manufactures which would else have staid in Europe. The European capitalists fought hard against it. In 1846, when a tariff discussion was expected, English manufacturers obtained a room in the Washington capitol, where they displayed large quantities of goods, ticketed with the prices at which they could send them to the States if the tariff were lowered. They lobbied, they bribed, they persuaded—they even established their own newspapers to puff their goods. (It might be well to consider whether we have not such in Canada.) It was all in vain. The Americans, of all people, are commercially wise. The vast commercial, manufacturing and farming prosperity which has followed is unprecedented. Some of the results will now be given.



In 1861 their production of pig iron was 731,000 tons; by 1874 it had risen to the enormous quantity of 2,689,000 tons, or five times what it had been. Of late it has never sunk to two millions. It must be remembered that this is not for export. Their protective system secures its use in their own country; and this vast increase, therefore, shows an equal increase in all their industries, for iron is the base of all. In 1861 they had 31,000 miles of railway; in 1877, 85,000. It must be noticed that this great addition does not mean lines built—as we in Canada seem to build our principal—to carry our neighbour's goods. The increase of United States roads means that they have so much more of their own produce to transfer. Notwithstanding the over-emigration produced by the vast money inflation of the war debt, the flow of emigrants to the States continues immense. In 1861 and 1862 they were getting 89,000 yearly; in 1872-73 it reached nearly half a million yearly; and even the last year the writer has report of, 1876, 157,000 persons went there. (Contrast this with Canada. In 1876 we paid nearly half-a-million of money to procure 33,000 emigrants, who do not all stay, and in the same year 21,000 Canadians—valuable citizens, many of whom had been well educated in our schools—went to the United States.) The reader is particularly asked now to notice the immense increase in American trade with other nations since the high protective tariff of 1861. Their imports and exports then and since are as follows:

IMPORTS.		IMPORTS.		EXPORTS.		IMPORTS.		EXPORTS.	
1861—	\$274,000,000	\$204,000,000	1867—	381,000,000	277,000,000	1873—	624,000,000	505,000,000	
1862—	178,000,000	179,000,000	1868—	344,000,000	269,000,000	1874—	550,000,000	569,000,000	
1863—	225,000,000	168,000,000	1869—	406,000,000	275,000,000	1875—	518,000,000	499,000,000	
1864—	301,000,000	143,000,000	1870—	419,000,000	376,000,080	1876—	439,000,000	525,000,000	
1865—	209,000,000	136,000,000	1871—	505,000,000	428,000,000	1877—	492,000,000	658,000,000	
1866—	423,000,000	337,000,000	1872—	610,000,000	428,000,000				

It will be seen that before the institution of high protective tariffs in 1861, the imports were \$274,000,000; the exports \$204,000,000; that is to say, they were buying under their lower tariff more by \$70,000,000 than they were selling, and going in debt to that amount. But Protection changed this gradually, till last year the imports were \$492,000,000 their exports \$658,000,000, thus showing that not only has their foreign trade nearly trebled under a few years of Protection, but that the enormous sum of \$156,000,000 is now on the right side of the ledger instead of \$70,000,000 on the wrong—they are selling \$156,000,000 worth more than they are buying, all of which, (when it is considered that during that period they endured the most expensive war ever known—a civil war, too, devastating nothing but their own property—and that they have paid off already seven hundred million dollars of their war debt by heavy taxation) shows an increase of commercial prosperity never before equalled in the history of the world.

Now let us glance at the report from the nation mainly affected by this—the nation to whom the States were in “free trade” days the best customer—Britain. As before shown, the States and other nations adopting Protection, are diminishing their purchases of British goods. Britain's exports are consequently less, and her imports are yearly exceeding them to a great extent. Here is how the London (Eng.) *World*, a fair authority, views the situation:—

“The great fact with which we had to deal was that while the value of our exports has been diminishing that of our imports has been increasing, and that the excess of imports over exports has grown from £72,000,000 (\$360,000,000) in 1874 to £142,000,000 (\$710,000,000) in 1877. Make full allowance for the deductions and additions requisite in both cases in order to approximate to the real values of the two sides of the trading equation, it must still be true that the great expansion in both exports and imports which began some six or seven years ago has wholly changed its character. The growth of exports has entirely disappeared, and has been replaced by a decrease, while the increase in imports has vastly developed its proportions. The *Times* has discovered that the excess of our imports is a temporary condition, arising out of circumstances which have disturbed the pre-existing course and balance of trade. This is an abstract way of putting the admission that the excess of imports is a very uncomfortable fact, but the consoling statement that it is temporary is a pure assumption. The cause of this temporary condition, it is allowed, is the extent to which foreign countries have succeeded in competing with and beating us in our own markets. So we are told that within the last few years our manufacturers have been subjected to a previously unexampled amount of competition, in which they have been hard put to it to hold their own. The facts, however, prove that they have not held their own, and that England, which formerly feared no rival in trade or commerce, is now beset by rivals who press her so hard as to imperil the remainder of her manufacturing and industrial supremacy. The communities that have been rigidly Protectionist have, it seems, stolen a march on Free Trading England, with such rapidity that we find it hard to cope with them. They have established an absolute control over their own markets, and they are swiftly invading ours as well. The one Free-trading country has been losing, while its vigorous Protectionist rivals have been gaining ground. Yet we are told to disregard the stagnation of individual trades and industries because, as in the sugar industry for instance, the body of the consumers reap the benefit from the cheap sugars of France and Austria, though the English sugar-refiners have been driven from the field. If the same process be applied all round—as without reciprocity it easily may—we must in the long run be left without industries to protect. How will the cheap purchases of the consumers make up for the losses that must then overtake the whole community when it is forced to depend upon the foreigner for both the necessities and luxuries of life?”

In 1860 the population of the States was 31,000,000; by 1870 it had risen to 38,000,000, gaining over a fourth. The reader is asked to observe now how Protection had increased their industries. In 1860 they had 1,311,000 hands employed in manufactories, earning \$378,000,000 of wages, and making from materials valued at \$1,031,000,000 articles valued at \$1,885,000,000. By 1870 they had 2,223,679 hands, receiving \$800,000,000 wages, and making from \$2,502,000,000 of materials articles valued at \$4,232,000,000. Nine years of Protection, therefore, had actually brought into employment nearly a million fresh hands. While the whole population had only increased one-fifth, the manufacturing population had nearly doubled. At that time there were 6,000,000 people in the States occupied in farming.

Their yearly production was \$2,500,000,000. It will be observed that the manufacturing people, man for man, were creating productions about twice as valuable as were the farmers. This is the secret of the general desire of nations for manufactures. The conversion of the raw material of wool, cotton, iron, wheat, cattle, and so on, into fine fabrics, is always twice as profitable as growing that raw material; and the country where this change is made becomes the richer country—the raw material growers keep poor, and are much poorer if they are not in the country where it is made, as explained above. When people talk of men out of work in the States, they should remember how many are *in* work—that the last census gave nearly two and a half millions of employed hands there, and that Protection was the sole cause of at least one and a half millions having work there at all. It is but right to take this opportunity of correcting those people who are in the habit of asserting that Protection is popular only in the East—that the Western, or farming States, are not interested in manufactures. No more gross error was ever made. The Western States had tried in vain by railroads to send their produce profitably to a market. They eagerly seized the chance Protection gave them to bring the market—the factories—to the farmer. By 1870 were engaged in manufacture in California, 81,000 people; Illinois, 133,000; Indiana, 76,000; Iowa, 47,000; Kansas, 18,000; Michigan, 82,000; Missouri, 79,000; Wisconsin, 53,000—being 569,000 artisans, giving, as the population of these States then amounted to 10,000,000, or one-fourth of the whole States population—and the whole artisan population of the States being as above 2,223,000—just as many people employed in manufacture in the Western States in proportion to population as in the rest of the Union. The western manufacturing products in 1870 were the vast sum of \$857,000,000. It is said that the desire of Protection is to a certain extent stronger in the West than in the East, for the old factories of the East fancy they could stand a tariff which would kill off some of the Western factories. As much is said of the comparative wages, comfort, and prosperity of the States and Canada, it will be well to observe some actual facts. Canadian settlement began in 1605; that of the States in 1607. They are now (States' census) 46,000,000 souls; Canada 4,000,000. For fifty years their lowest tariff has been 20 per cent. generally. Ours has been a revenue tariff—a policy of ignorant men, which will be described further on. In 1870 they had of capital invested in manufactures \$2,118,000,000, producing \$4,232,000,000; paying, to 2,223,000 hands as previously mentioned, in that year \$800,000,000 wages, giving each employee an average of \$317. In Canada under our non-protective system we had \$77,000,000 invested, producing \$221,000,000, paying 187,000 hands \$40,000,000—average to each \$217. This average of wages is still more in their favour from the fact that we employ far fewer women and children than they. Their average production was \$109 to each inhabitant—ours \$63 to each inhabitant. Now let us compare the prosperity of a State which has largely introduced manufacturing—Massachusetts—with our own—a State which, too, has to import all its coal, having itself none. It has 7,800 square miles; population in 1870, 1,457,000. (Ontario has 107,000 square miles, population 1,620,000; Quebec 193,000, population 1,191,000, much better average land than theirs.) In 1865 the assessed value of their taxable property was \$991,000,000; by 1874 it was \$1,862,000,000, showing average annual increase of \$103,000,000. Property exempt \$55,000,000. Total returned in 1874, \$1,917,000,000, being more than the valuation of all the property in the Dominion of Canada. When we consider how much land we have to value, how little this State has, the difference shows what a vast amount of wealth manufactures bring in. Under their Protective system, which some people say is protecting them to death, there was deposited in the Savings Banks of Massachusetts, at the end of 1865, being earnings and savings of the labouring population, \$59,000,000; by the end of 1874 this had swollen to \$217,000,000; by that of 1877 to \$244,000,000; average yearly increase of \$14,000,000. Under our non-protective system, there had been deposited in our Post Office Savings Banks of Canada by June 1874 but \$7,210,000; by June 1875 \$7,171,000; by June 1876 \$7,044,000, showing a decrease here of \$166,000, against an increase in Massachusetts (same two years) of \$25,000,000. In 1876, three years after the panic of 1873, the accumulated savings in Canada were decreased by \$166,000, and in 1874 (the last year reported before) they were decreased by \$127,000; while at the end of 1877 there has been no decrease since 1873 in Massachusetts, but an increase of \$42,000,000. It should be remembered that in Canada, in addition to our Post Office Savings Banks, we have other Savings Banks. These had altogether about five or six million dollars deposited. They likewise show a decrease. In 1876 those of Ontario received \$5,604,000 on deposit, and paid out \$6,506,000. To sum up, we have about \$13,000,000 deposited, and are decreasing it; they have about \$240,000,000, and are rapidly increasing it. With half our population, they are saving twenty times as much. The reader is asked to observe how this verifies the opening statements. In 1877 over 2,500,000 of the U. S. labouring population had deposited in Savings Banks \$1,377,000,000. Under Protection their 80,000 miles of railways yielded in 1876 a dividend of 3 cents 4 mills per cent. upon the whole capital stock and indebtedness. The dividends were in 1876 \$3,500,000 greater than in 1872, and \$11,500,000 greater than in 1871. Under our system no railway in Canada has ever paid any interest to government, ordinary shareholders, or municipalities. The United States has lessened its public debt an average of \$60,000,000 per annum since the civil war; we have not lessened, but much increased ours. A comparison will now be made of the commercial doings of the two countries. In 1877 the U. S. traders numbered 652,000, those of Canada 56,000—in each case



about one in seventy of the people. In 1877 the number of failures in the States was 8,872, or one in every 73 traders; in Canada it was 1892, or one in every 30 traders.† The same average has existed for the past five years. Their total amount of losses by failure, proportionally to population, has also been much less than ours. The reader is asked to consider whether, in view of all the facts stated, it is not plain that the States owe their prosperity simply to their determination to import nothing which they can make.

#### WHAT CANADA IMPORTS, WHICH SHE MIGHT PROFITABLY MAKE.

It is known that Canada possesses great manufacturing abilities. It has in the Maritime Provinces to the east, fields of bituminous coal (the kind used for manufacturing) sufficient to supply the world for centuries; has large fields in British Columbia, and still larger ones in the Saskatchewan. It has silver, copper, iron, and lead deposits superior in many respects to what can be found elsewhere. Its immense water-communication gives it the power of landing coal cheaply at any point. It has a command of the cheapest force known—water power—which is unequalled elsewhere. It has a people so willing to work at such industries, that many thousands of them go yearly to the States, nor is this that there is no market here for goods, for the articles we yearly buy show a very large market indeed; and it is very plain that if the people who make them were here there would be a much larger market. Of these articles we have lately imported in the way of iron, the vast sum of sixteen millions of dollars worth yearly. Now the iron in our mines is the best in the world; large orders are sent to us for ore from Pennsylvania, where they have plenty, but none so good. The Swedes at the Philadelphia exhibition owned it better than theirs. We now sell the ore to the States, and they sell it back to us, made into hardware, at a high profit. The writer, who has had much experience in the various farming and other industrial arts of Canada, has no doubt that if Canadian iron were used where foreign now is, one-third would be added in wear. American boiler iron, as he is assured by Toronto experts, is superior to Lowmoor. Pennsylvania rails, as letters deposited with him show, test, price for price, better than British. But the fact interesting to Canadians is that over many thousand miles of Canada lie untouched deposits of iron, better than either nation owns. Canada has imported of hardware, cutlery, tools, nails, castings, stoves, engines, machinery, frames, axles, railway work, steel, and tubing, in '73-4-5-6, an average of close on sixteen millions of dollars yearly, counting only such articles as might well be made here. Much of this is our own ore, bought by the United States at \$2 per ton, and sold back to us at something more like \$2,000, to the amusement of our acute neighbours, whose very drummers laugh at us for not doing the paying work ourselves. Of cotton goods we have lately imported about ten millions of dollars worth in some years, and of woollens twelve millions of dollars worth,—cloths, tweeds, white and unbleached goods, carpets, flannels, merinoes, paramattas, lustres, gingham, jeans,—and all the innumerable list of textiles the sheep and the cotton-field give to man. Cotton can be laid down in Canada as cheaply as in Britain. As for wool, we have vast sections of country which can never be profitable grain farms, but which under mixed husbandry, largely devoted to sheep, will yield excellent returns, and give, both for home use and export, a vast supply, which, of course, for the finer manufactures, needs the mixture of foreign wool. This can be readily imported. No country, it must be remembered, can depend on the home growth of wool exclusively for her manufactures. Britain imports most of what she uses. Of linens, silks, and velvets, we have in years past taken four millions' worth; of glassware a million, of ready-made clothing a million, of manufactured leather a million, of manufactured furs half a million, of wooden ware half a million, paper and paper-hangings three-quarters of a million, hats and caps a million, hosiery half a million, flax and cordage a million, fancy goods two millions, clocks, watches, carriages half a million, sugar five millions, and a vast number of other articles of manufacture. When it is remembered what sort of a country we inhabit—its numerous water-powers—its possession of, or facilities for obtaining raw materials—when it is remembered that the States are making these same articles with great success—it is perfectly plain that, with proper protection, they could well be made here. It must be remembered that last year's figures show a falling off in these imports—the result of Mr. Cartwright's great error. Ignorant of commercial history, and unaware that the opposite effect had always occurred, he supposed the country of lowest tariffs would become the most prosperous, and import most goods. The reverse took place, of course,—repeated deficits marked his budgets, and if our "free trade" continue, Canada will become yearly less and less able to purchase at all. In this connection it may be well to show how much we have lately imported, and how greatly the balance of trade has been against us:—

#### EXPORTS AND IMPORTS, DOMINION OF CANADA.

	EXPORTS.	IMPORTS.		EXPORTS.	IMPORTS.
1868 .....	\$57,000,000	\$ 73,000,000	1873 .....	\$89,000,000	\$128,000,000
1869 .....	60,000,000	70,000,000	1874 .....	89,000,000	128,000,000
1870 .....	73,000,000	74,000,000	1875 .....	77,000,000	123,000,000
1871 .....	74,000,000	96,000,000	1876 .....	80,000,000	93,000,000
1872 .....	82,000,000	111,000,000	1877 .....	75,000,000	99,000,000

Authorities consulted for above,—United States census 1870-71, States census 1875, Niles' Register, United States Acts, Appleton's Cyclopædia 1875-6, State Controller's Annual Reports, Canada Public Accounts, United States Railway Magazine, Brydges R.R. Report to Canadian Government, Reports of Nova Scotia Board of Trade, and Secretary of Treasury, Canadian Customs and Board of Trade, Dun & Wiman's, Dun & Barlow's Commercial Agency and Brokers, United States Commercial Agency, Census of Canada, United States Bureau of Statistics.



We are, it will be seen, \$236,000,000 behind in ten years—we have bought that much more than we have sold. We have, of course, had no other way of paying this sum than by exports. We have not paid it. We have gone in debt for it, as it will be remembered in the opening remarks, it was shown that the country depending on others for her manufactures must do. All through Canada the progress of the system may be seen. The Government borrows in London yearly. Our local Government borrows there. Private individuals borrow from the loan companies which fill our land, which in turn borrow from Britain. And both from Governments and individuals, sooner or later, the money goes into the hands of the shop-keeper, from him to the importing merchant, from him back to some foreign land. With Protection it would all go to our own workmen, the borrowing from abroad would cease; and as in the States to-day, the balance of trade would soon turn to the right, instead of the wrong side of our ledger.

Some statements, which have been carefully calculated, will now be presented to show the number of people who might reasonably be expected to come and carry on their trades in Canada, if a tariff sufficiently high to prevent them sending their productions here from where they now are, be adopted. In the first place the reader will be asked to remember that manufactures occupy far more people than those engaged merely in the last process. Before the shoemaker can make a shoe, or the joiner a box, a great number of people must have been employed in getting all ready, viz., the leather, the wood, the nails, the thread, the lock and hinges, the handles, the pegs, the various tools, the workshops, the houses for the two operatives. These are merely what were used for the final operation of what is called making the box and the shoe, but this is only the last operation of many. Think of the number of mines, forges, furnaces, factories, the long succession of workshops necessary before the joiner and shoemaker could even begin. It is thus that one manufacture tends to bring many; and wealth multiplies upon wealth. So well is this beginning to be understood that, for the last hundred and fifty years, the civilized nations of the world may be said to have been playing a game with each other on a sort of universal checker-board, endeavouring by rules of the game called tariffs to capture and bring within their own borders as many valuable pieces, called manufactures, as possible. Agriculture goes everywhere. Manufactures only where they are drawn by encouragement, because if they be not drawn so to you, the attraction created by some one else, plenty of whom are always busy at it, will draw them from you.

The reader will now be asked to follow a few computations, to show the amount of goods which we now import, but might make here. Of the imports stated above, there is no reasonable doubt, as the author is well assured by practical men in the various branches, we could manufacture \$60,000,000 worth. There are some things which cannot be made here as well as in Europe; there are Irish rivers which prepare flax for linen without chemicals, and the moist English climate permits the operative to make the finest cotton thread, which would snap if tried in our dry air. But these are few. The calculation is based on the fact that frequently of late we have imported into Canada \$60,000,000 yearly of the same kind of goods as are successfully made by our neighbours across the borders whose facilities are no greater than ours. Now, we will enquire what number of people the making of these goods here would bring to reside in Canada. According to the most reliable statistics, the labour of an operative in Britain produces \$800 yearly; in Canada, \$1,200; in the States, \$2,000; taking the average of these, or \$1,300, it will be found that our \$60,000,000 of imports, if made here, would occupy 46,000 operatives. But the reader is particularly asked to notice that a vast number of persons are supported by manufactures, in addition to the operatives who turn out the finished fabrics. Some idea of this was given in the cases of the carpenter and shoemaker. The writer will give an example of this from the largest manufacturing business of Britain, the cotton trade, some quotations from which he gave in a Toronto daily last year, but as great errors have been committed in their repetition since, at Ottawa and elsewhere, he will now give the full statistics. There were employed in 1871, 449,000 persons. The cost of machinery was \$277,000,000, with a floating capital of \$150,000,000, and there were 4,500,000 persons in all its branches dependent on its prosperity for their livelihood. They produced yarn in 1872 worth \$81,000,000; calicoes, \$286,000,000; lace, &c., \$21,000,000; total, \$383,000,000. The number of persons dependent are differently stated by various authors, but the 4,500,000 now given coincides with most of them, and is taken from the very exhaustive consular and other reports sent from Manchester to the Washington Bureau. Taking this as our base, the \$60,000 we now import shows that we now support 460,000 people in foreign lands manufacturing for us.† Let us consider the advantages to our farmers of bringing these to reside in Canada.

From calculations based on returns from one hundred manufacturing towns in the States, it is found the consumption of farm produce for adults and children averages \$1 per head weekly. In Canada it is from several returns much the same. The 460,000 people we

† These are round figures, but in the main tolerably accurate. Had business continued good, these importations would have been none too much for us. Say \$60,000,000—we should have needed it all. But suppose we made it—then the half million people needed here to make it would make near \$70,000,000 needed. There would need one-eighth more farmers to grow food—now there would be \$30,000,000 needed. Then to make \$80,000,000 manufactures we would need 600,000 people instead of half-a-million—these more farmers again. This is the arithmetical progression we ought to have grown in; but we have worked it backwards—we have “reversed the wand.”

employ elsewhere would, then, if employed here, give our farmers a market to the extent of \$23,000,000 per annum. It is requested that farmers observe that this is as much as or more than the whole amount the Dominion exports of farm produce. Last year we exported \$34,000,000, and imported \$20,000,000, leaving the true exports only \$14,000,000. The year before we exported \$40,000,000, and imported \$17,000,000, leaving the true export \$23,000,000.

#### THE LUMBER TRADE.

In considering the enormous impetus that this inflow of manufacture would give to Canadian business, it should be stated, with reference to one of our principal industries—the lumber business, which has for years back figured to a large amount in our exports, that the growth of that trade of late years was very much occasioned by the necessities of the States. During their war they needed much lumber to help the work of destruction; at its close they needed an immense quantity for repairs and replacements. Protection also gave them the need for a vast number of mills, factories, and so on; and the influx of people stated above rendered millions of new houses necessary. For all this they drew heavily on Canada for supply. This is now over; they have repaired the war damages; they have mills sufficient, with the aid of their own lumber, to last for years. There is no hope for an improvement in the British market, as it takes from us now as much as or more than it ever did. The following shows the amount we have exported of late years:

1868 .....	\$18,000,000	1871 .....	\$22,000,000	1874 .....	\$26,000,000
1869 .....	19,000,000	1872 .....	23,000,000	1875 .....	24,000,000
1870 .....	20,000,000	1873 .....	28,000,000	1876 .....	20,000,000
				1877 .....	23,000,000

1873 was the year of the largest sales. We sold then to Britain \$13,000,000, and to the States \$12,000,000. Then the States demand fell off. Next year we sold them but \$9,000,000 and to Britain \$14,000,000; the year after \$6,000,000 and to Britain \$16,000,000. Last year hardly a million dollars worth out of \$23,000,000, sold mostly to Britain. An additional reason why the States no longer buy of us is that the multiplication of railroads to the West, and consequent competition for freights, has so lowered these that the U.S. lake ports are filled with lumber from Michigan cheaper than we can send stuff there, and pay \$2 duty. But one thing is plain, neither the States nor British demand is likely to improve the trade. The following seem to have given its chief value to the trade: 1. The ability to sell in the States lumber unfit for the British trade, thus using two parts of the timber. 2. The ability to sell in Canada lumber unfit for either, thus using the rest of the timber. Every lumber dealer remembers that during our "good times" he could sell all his common stuff at \$5—very poor much of it, but fit for many purposes. Now he may sell a little at \$2.50 or \$3, but most of it is left to rot. 3. The large home demand in Canada for lumber before the depression—*i. e.*, while our manufacturers were yet at work. And lastly, but not a small item, we have not now first-class timber standing so near to the front to sell them, nor, by late official reports, very much anywhere else. The writer will now point out when a valuable impetus—valuable to Canada in many ways—may be expected in the lumber traffic. If, by a protective tariff, we bring those half million operatives we employ elsewhere to this country, who make the \$60,000,000 manufactures we import, consider what would accompany them. The floating capital required to run their business would be, as computed, \$30,000,000, besides which the first cost of buildings and machinery would be equal to one year's output, or \$60,000,000. Of this, considering that wood in our inland towns would precede brick, at least \$20,000,000 would go to buying lumber. There would be a hundred thousand houses, largely of wood, required for the operations, needing about \$16,000,000 worth of lumber. The general farming prosperity which would follow the opening of near and thriving markets for all purposes, the number of additional farm hands and farm houses required, the additional trading, professional, and other population which always accompany prosperous changes, would swell the amount, beyond any doubt whatever, to at least \$50,000,000 worth of lumber required as soon as Canada chooses to do what she should have done long ago—adopt Protective measures. It is not supposed this would all occur at once—the change would be gradual, but every day for the better. It must likewise be remembered that even this large amount would be but the beginning of the demand. Our back country, much of it altogether unfit for export farming, can support an immense home population. Colonies of farmers and fresh manufacturing establishments would continually push out into the still unsettled regions, as they have in the United States. The increase of population, native and foreign, would be continual, and the demand for houses, factories, and mills, necessarily constant. Our forests, which have been wasted with a recklessness and rapacity, both on the part of legislators and lumbermen, which the writer cannot too strongly condemn, would, it is to be hoped, be better managed. He has seen fifty young trees cut down to get out one pine—and of that one pine half was wasted, there being no market for the remainder. Enough has now been said to prove thoroughly that Protective tariffs are our only chance of a prosperous lumber trade, one in which the demand would be constant and large, the business profitable, from all the timber being saleable, and above all profitable to the country, for the riches made would stay in the land, and continually increase the prosperity of every farmer and mechanic therein.

#### THE ADVANTAGE OF PROTECTION TO VILLAGES, TOWNS, AND CITIES.

To commence, there would be many more of them. As stated at first, the people who farm exclusively need very few cities, as in the case of the Southern States. When they



manufacture, they build many, as in the North. There are few countries so well provided with water-power as our own, and it has, also, the great advantage of a long lake and river line, at every point of which coal-schooners may leave cargoes. If the country adopt Protection, capitalists will at once come here from the States and Britain, secure the best points in country and city, and commence operations. Numerous villages will at once spring into existence. Towns and cities will double their size. There will be many years of constant work for all artificers in building, and in making machinery, and many thousands of people will find employment in addition to the actual operatives. It is sometimes said by men who have not considered the matter, that foreign workmen would at once come and fill all vacancies. Whether they be foreign or not, it is plain that the number Protection would bring would more than double our city and town population—plain that it would afford occupation to more than double our present number of farmers to supply them, as computed above. This, again, would make more work in the towns, and create more towns. While prosperity is increasing and the country receiving emigrants, there is always full work at high wages. When it ceases to improve, work gets very scarce, and wages fall.† All may recollect that while the States were receiving half a million emigrants a year, wages were extremely high, and workmen scarce. So in Canada, as long as many were coming here, times were good, work plenty, and wages high. Nothing is more certain, from all past time, than the fact that, given prosperity under which workmen are coming fast into a country, there will be work enough in that country for all, as long as the influx has such cause. We have in this country resources which, if properly used, will allow influx of a hundred millions of people before we are glutted with labour. Our trouble hitherto has been that we could not give employment to those who did come. If a number of British operatives come here, they pass on to the States, though we use large quantities of the very goods they could make for us. But we buy them in foreign lands, and the men must leave us. Let us look at our one Toronto furniture factory, for instance, employing say seven hundred hands. In its adjoining store, it needs but very few men to sell these goods. Now look at our long rows of wholesale stores selling foreign goods, and consider that to every one of these there is a large factory, with its hundreds of hands, elsewhere, and under Protection, we would have them all here. Any one who remembers the great impetus to business, given a few years ago to Toronto when a couple of foundries in the railway and other lines were each employing five or six hundred men—who remembers how busy and prosperous the stores were near them, and what a good market farmers found for their produce then compared to now, can well see the result of having two or three hundred factories. If a factory employs 300 hands at \$1.50 a day, every day \$450 are paid out; every week \$2,700 leaves the hands of the operatives, who do not keep it, for even if they deposit it, the banks lend it. Those who get it pay it out; others again spend it, it goes on to others, it circulates continually; it comes back to the factory owner, it goes out again; every time it changes hands there is a profit. Every additional factory is an additional market for all those in other lines. All this creates what is called a series of markets; creating one creates others, and occasions production and consumption in an endless progression. This gives the secret of the Massachusetts savings given above. It must be remembered also that the other classes who follow operatives would add extremely to the general wealth.‡ Manufacture brings in its train all kinds of people to work for it. Lawyers, doctors, ministers, artists, writers, orators, flock to it. Magnificent churches, universities, colleges, halls, theatres, hospitals, will be erected. Many men of independent income will, finding there pleasant places to live in, come and reside. There would be many such immigrants, for Canada is the healthiest land—by statistics—in the world; but our few towns are too lifeless as yet to attract them—a lifelessness which would vanish with the advent of Protection. Many an American forest or prairie of twenty years back is a city now, and many a Canadian farmer, before his death, may yet see such a city covering the spot where his farm now stands.

#### VALUE OF PROTECTION TO MANUFACTURES TO THE CANADIAN FARMER.

What is already settled of Canada can never be a wheat-exporting country. The vast returns from California, where all through the growing season the farmer needs no barns, and very few fences, and can thresh his wheat in the field and load it into a ship for England along many miles of rivers; the serf-grown wheat of Russia, the new and excellent wheat of India, produced by people who give labour for nominal wages—all these must compete with ours, and keep down its price. Manitoba, too, will soon pour millions of bushels into and across our land. The cultivation of barley cannot last without a rotation of crops, as shown before by the States' example. In fact the prospect before the Canada farmer, if matters continue as they are, is simply this: He must grow crops with insufficient

† Some people are telling workmen, "Oh, you don't want Protection. It would make lots of work here, and then workmen would come in in crowds, and lower wages. Why don't they protect labour? put a tariff against workmen coming in?" These people are of dull perceptions, or they would know that workmen laugh at them. All workmen know that labour protects itself. When times are good, and work plenty, trades unions find no difficulty in keeping wages up. Give our cities plenty of factories—give us our home market—and no workmen will either lack labour or good wages for many years.

‡ The writer noticed an eloquent peroration last week by N. F. Davin, Esq., concerning what Canada might hope from Protection:—"Beyond the narrow stream of difficulty to be crossed are wealthy fields, the hum of teeming cities, and the mighty murmur of a free and prosperous people."



manure; consequently his land will grow poorer and poorer. He must yearly compete with cheaper labour and newer land elsewhere. The system of railroads takes from him what he once had—lower freight to Europe than the Western farmer. (Freight from Chicago to Liverpool is just the same as from Toronto to Liverpool, or even, as just now, seven cents less. From Chicago to Portland is twenty cents per 100 weight. From Toronto to Portland the same or more.) He must see his sons leave the country for want of opportunities here—perhaps must go himself. He will find all he can raise—oats, wheat, barley, potatoes, cattle, flour, brought in to undersell him in his own markets by Americans, whose duties forbid his goods equal entrance there. They come here, sell to Canadians, get at once the money he should have got at once, while he must send just that much more to Britain, and wait four months for a return. (If a buyer advance the money, he has to charge the farmer interest and risk.) They take our near market, we must put up with the foreign one. He may own land every foot of which would be valuable for a home market; but even five hundred acres of which cannot raise anything profitable to carry and sell abroad. Now let us consider his chance if Protective duties be charged. He will, every here and there, see villages starting up around him, some of which will soon rise to towns and cities. All the resources of the land will be utilized—clay for bricks—stone for building and macadamizing—timber for houses—cord wood for fuel—and a hundred other things. One city like Toronto alone needs a hundred miles of macadam—a foot or more deep and fifty wide. He will be able to sell as many fat cattle and sheep as he can raise, at paying prices, and to sell roots, hay, straw, butter, fruit, and all those things which give the soil a change of work. Farmers near our few cities have these, in some respects, now; but they have this great difficulty: all through the back country we have no cities, and the whole produce of the back country pours into our few cities to compete with the near farmers. The consequence is, as all know, that the backwoodsman gets next to nothing for his butter and eggs, while the frontier farmer is hindered of his price by their influx. This would be removed by Protection, which would give towns and cities in many parts of the land. Farmers would be able to hire men the year round, and would be able—nay, find it necessary—to devote most of their time not to labour, but to overseeing their men, and buying and selling. So long as he is a mere export farmer, he must drudge with his men in grain-growing, or it will not pay. But give him the chance to farm well which a near market bestows, and he will find it pay better to oversee than to work. Land-scratching for grain is a dull business—the ground yearly getting harder—the soil poorer. Of all the world, Canada furnishes most recruits to the lunatic asylums—from a people, too, naturally keen-witted and sensible. But the country is dull. The young men find no life—no busy industries around. He often leaves. Here is the list of Canadian-born residents in the States at the last census: Alabama, 183; Arkansas, 342; California, 10,660; Connecticut, 10,861; Delaware, 112; Florida, 174; Georgia, 247; Illinois, 32,550; Indiana, 4,765; Iowa, 17,907; Kansas, 5,324; Kentucky, 1,082; Louisiana, 714; Maine, 26,788; Maryland, 644; Massachusetts, 70,055; Michigan, 89,590; Minnesota, 16,398; Mississippi, 375; Missouri, 8,448; Nebraska, 2,635; Nevada, 2,365; New Hampshire, 12,935; New Jersey, 2,474; New York, 79,042; North Carolina, 171; Ohio, 12,988; Oregon, 1,187; Pennsylvania, 1,022; Rhode Island, 1,042; South Carolina, 77; Tennessee, 587; Texas, 597; Vermont, 28,544; Virginia, 534; Wisconsin, 25,666; Territories, 5,000. Total in the States, 487,000. Had we had Protective tariffs few of these would have left us, and multitudes more, who came here from Europe and had to leave for the States, would have found full work here. Some statistics given by one farmer will here be quoted:—

"He farms 20 acres of good land, grew on it in 1875—an average year—220 bushels of wheat, 400 bushels of turnips, 120 bushels of potatoes, 2 tons of hay. Amount of imported manufactured goods used by his family of six, in one year as follows:—Sugar, \$8; dry goods, \$40; crockery, \$2; imported hardware, \$10. Making \$80. Their homespun cloth, factory cotton, nails, and most of their tools, are Canadian made, adding which with what they bought would reach \$100 altogether. Now suppose (what is not the case, for Protection cheapens)—but suppose all goods bought, Canadian and imported, heightened in price in proportion to the tariff, and suppose ten per cent added to the existing tariff. It would cost him \$10 a year. Now what would he gain? His village wheat market is always ten cents lower than Toronto price; whether it go to Europe or the Maritime Provinces it will cost 15 cents for carriage at least; commission will raise it to 20 cents. Could he have sold it close at hand he would have made \$4 on the wheat. His turnips are worth about 15 cents per bushel; but with a manufacturing town at fair teaming distance he could sell them at 25 cents easily—\$40 more saved. His potatoes could average 30 cents a bushel more—\$36 more saved. His farm could receive the great advantage of a supply of manure, which now it cannot get, and it could be relieved from the steady wheat drain, when roots, fruit, and cattle in alternation would pay better. Under Protection there would be within two miles of him a large manufacturing town, for there is one of the best water powers in Canada. Coal, as it is close to a lake port, could also be cheaply obtained. (Few farms in Canada are not near manufacturing facilities of one sort or another). He has been five years clearing his twenty acres, burning most

The importation of Indian Corn is not advantageous to many of our farmers, while it is to many of them injurious. We import from two to four million dollars worth, of which much is used for distilling, and a large amount exported, leaving but about a fourth, or from half to one million, for those farmers who, in some districts, buy it for feed. On the other hand, there are very large districts of Canada which, with encouragement of a duty on corn, would grow much rye. Again, it conflicts with Canada pea-growing—a crop which, in many parts, forms our best preparation for wheat. Protection will free us from American competition, and a great home market from the need of shipping cattle to Europe. With these, farmers will profitably raise their own cattle and their own feed. It is astonishing that no one—of all our well-paid scientists, raises a voice against the exportation of our new-found phosphates—as well might the man overboard sell his life-buoy.

The writer would express his thanks for a valuable compilation, the work of Mr. Nelson Gorham, New-market, which he has used to some extent, but which is worthy of separate publication.

of the wood—much of it excellent elm, ash, beech, maple, basswood, and others—part fit for firewood—much of it valuable for ship-building and manufactures of various kinds—thus dissipating in smoke full \$200 a year, which he could easily have sold had there been manufacturing towns near him. To sum up: What he would lose yearly under Protection, granting all the arguments that it raises prices (which are untrue) would be just \$10. What he would have gained yearly under Protection according to the statements above—none of which can be fairly disputed—is: On wheat, \$44; turnips, \$40; potatoes, \$36; wood, \$200.—In all \$320 yearly. He would gain otherwise. His farm is worth \$1,000; it would be worth \$3,000 under a Protective policy, merely for farming. Moreover, he has five sons, of ages from four to twelve. He does not like to bring these all up as farmers, seeing that he himself—always hard-working and economical—has not succeeded better. One will keep the little farm, and as there are plenty of workers in the neighbourhood for all that is to be done under Free Trade, the rest will leave, and probably bring up at or near the factories of the States. Under Protection, which would cover Canada with manufacturing towns and villages, all his children would find remunerative employment here. This is no fancy picture. In Canada there are many thousand such farmers.

In the contest with the Southern States, to obtain protection, Mr. Stewart, of Pennsylvania, used some arguments, which farmers might well consider. He said:—

There is another and still stronger view of this subject in relation to its effects upon the interests of the farmer and agriculturist. It was a fact, however strange it might appear, that this nation imported agricultural labour to the amount of many millions a year. He did not mean to say it was imported in its original shape, but it entered into the composition of manufactures, and, thus altered and modified, was imported and consumed among us. Sir, of what is your imported cloth composed, your imported iron, spirits, hemp, linen—in short—almost everything? Count the cost of the raw material, the wool, hemp, flax; then add the price of provisions, the bread, meat, fuel and tea consumed by those employed in the fabrication of the manufactured articles, and you will find that two-thirds of our imported goods consist of agricultural labour, and went to support and sustain the farmers of foreign countries—paying them the money which should go to our own. Agriculture is the great basis and foundation on which everything else depends. When the farmer prospers, all prosper; when he sinks, all the rest, professional men and mechanics, go down with him. Make him prosperous and the whole country will prosper. And how is agriculture to be made prosperous but by building up and sustaining home markets? It is not for the manufacturers, but for the mechanics and farmers that I advocate the protective policy. The important fact which lies deep at the foundation of the whole subject, and to which I am anxious to attract the attention of the farmers of this country, is this: That more than half of the entire price of the hundred million dollars a year, of foreign manufactures imported into this country is agricultural produce raised on a foreign soil, worked up and manufactured into goods, then sent here for sale. This may seem strange, but is strictly true. I defy contradiction, I challenge investigation. Let gentlemen disposed to contest it select an article of foreign goods—a yard of cloth, a ton of iron, a hat, a coat, a pair of shoes, anything from a needle to an anchor, examine its constituent parts, the raw material, the clothing and subsistence of the labour employed in its manufacture, and it would be discovered that more than half, often three-fourths of the whole price, is made up of agricultural produce. I have ascertained the fact from my own books, kept at a furnace, that more than three-fourths of the price of every ton of iron sold, was paid to the neighbouring farmers for their domestic goods, their meat and flour that clothed and fed my hands, for their hay, corn and oats, that sustained my horses, mules and oxen employed about my works.

Was this system hurtful to agriculture? Look at the neighbouring iron works of Mount Savage, built up within a few years; the land was bought for two dollars an acre, it is now from twenty to a hundred; it employs four or five thousand men. The high price of neighbouring farms, shows the effect of giving the farmers a market. Manufacturing establishments multiply the value of farms in their vicinity often ten, twenty—and sometimes of mineral lands a hundred fold. Let three or four more such establishments go up in that vicinity, and you would have a demand for three or four times as many hands, and for all sorts of agricultural produce in the same proportion. No American interest is so much benefited by a protective tariff as that of agriculture. To show the effect upon currency as well as agriculture, suppose the gentleman from Virginia wants a new coat, he goes to a British importer and pays him twenty dollars. Away it goes in quick time. We see no more of it, and as far as circulation is concerned, he gentleman might as well have thrown it in the fire. But I want a coat; I go to the American manufacturer and buy twenty dollars' worth of American broad cloth. I wear no other, and I will compare coats with the gentleman on the spot. (A laugh.) Well, the manufacturer the next day gave it to the farmer for wool; he gave it to the shoemaker; the latter, the blacksmith; they gave it back to the farmer for meat and bread, and here it went from one to another. You might perhaps see his busy and bustling twenty-dollar note five or six times in the course of the day. This made money plenty, but where is the other gentleman's twenty dollars? Vanished! gone to reward and enrich the wool-growers and farmers, shoemakers and hatters of Europe. I will give, to conclude, one fact. In England, for no other reason than its nearness to manufactures, land is worth \$241 per acre on an average. In the States (this was before the States were to any extent manufacturing), it will average barely \$4.

#### PROTECTION DOES NOT CAUSE DIRECT TAXATION.

It has been said that if we increase our tariff we shall exclude goods, the Customs will produce no revenue, and direct taxation will be the necessary consequence. That this would not be the case is clearly proved by the following extracts from American tariffs:—

REVENUE FOR TEN YEARS UNDER LOW TARIFF, FROM 1833 to 1842.		REVENUE FOR TEN YEARS UNDER THE HIGH TARIFFS OF 1824 AND 1842.	
1833	\$ 24,177,578	1825	\$ 31,653,871
1834	18,960,705	1826	26,083,861
1835	25,890,796	1827	27,948,956
1836	30 818,327	1828	29,951,251
1837	18,134,131	1829	27,688,701
1838	19,702,825	1830	28,389,505
1839	25,554,533	1831	36,596,118
1840	15,104,790	1832	29,341,175
1841	19,919,492	1844	29,236,357
1842	16,622,746	1845	30,952,416
	<b>\$214,885,853</b>		<b>\$297,842,211</b>
			<b>214,885,853</b>
DIFFERENCE IN FAVOUR OF HIGH TARIFFS IN TEN YEARS.			<b>\$82,956,358</b>



## FIFTEEN YEARS UNDER THE LOW DUTY POLICY.

1847	\$ 23,747,864.66
1848	31,757,070.96
1849	28,346,738.82
1850	39,668,686.42
1851	49,017,567.92
1852	47,339,326.62
1853	58,981,865.52
1854	64,224,190.27
1855	53,025,794.21
1856	64,022,865.50
1857	63,875,905.05
1858	41,789,020.95
1859	49,550,416.04
1860	53,187,511.87
1861	39,582,125.64

Total..... \$703,067,548.46

## FIFTEEN YEARS UNDER THE HIGH DUTY POLICY.

1862	\$ 49,056,397.62
1863	69,039,642.40
1864	102,316,152.99
1865	84,928,260.60
1866	179,046,651.58
1867	176,417,810.88
1868	164,464,599.56
1869	180,043,426.63
1870	194,538,374.41
1871	206,270,408.05
1872	216,370,286.77
1873	188,089,522.70
1874	163,103,833.69
1875	157,167,722.35
1876	148,071,984.61

Total..... \$2,278,950,074.87

Under high duties the revenue was three times what it had been under lower. We have been told in Canada again and again that this could not be—that protection cannot help but exclude goods—that if it excludes it will leave nothing to pay duty—no revenue,—that then direct taxation will be necessary. Every reader knows this to have been declared—it has been proclaimed everywhere by the papers in the importers' interest, and those who are weak enough to believe them. The above are the facts; there is no doubt about them—under protection a country imports three times as much. People will ask how this is—how excluding goods seems to bring more in. The answer is the simple truth: Protection never yet failed to make business brisk and people prosperous—they are thus enabled to buy, and they do buy a great deal more. The writer challenges any free trader to read the above undoubted figures, and put any other construction on their meaning. The reason is a very simple one, founded on a principle which seems to be innate in the human composition,—the principle that our wants increase with our riches. Many can remember that when poorer many articles, now seeming necessary to existence, had not even a place in their thoughts, so it is with protection tariffs. When properly managed, they have ever created prosperity—have given employment to the idle, money to the poor, riches to indigent communities. With riches new wants have arisen, and a thousand fresh articles are imported—in every case where it has been tried increasing the revenue—just as, by an opposite course, our Finance Minister has every successive year decreased ours.

## THE MILLING AND WHEAT INTEREST.

As above shown, Canada produces—thanks to the free trade export farming system, which has, under the kind advice of foreign traders, injured much of our good wheat land, so that in many places where we got forty bushels per acre (and with proper rotation could have got it to the end of time) of good Soules wheat, our land scratching has left us in case, but to get fifteen or so of some variety not at all its equal—well, Canada produces little more than wheat enough for herself. Now, we allow free entrance to the American farmers' wheat. The result is that when there is a high price for wheat along our frontier he sends his in. Ours is often not brought to the front, as any farmer knows—it is most of it in the granaries, waiting for a fair price. When it is sent down, the Yankee wheat is pouring in also. Then ours, a harder wheat, must go to Britain, and wait four months for a return, while the U. S. man gets the cash at once. As for our getting a better price by sending it to Britain, there is no doubt whatever but that if we had our own market to ourselves, we would get a still better for it here, and our townsmen would be glad to pay, under protection, a better price—first, they would get a much better wheat for their money—next, that they would have good times and be able to raise the money. From statements of numerous millers and shippers, the writer is assured that, with regard to American wheat passing through this country to Britain, there is no difficulty in the way of placing a proper tariff on it. It is quite plain that it would come through in bond as easily as any other way—there is no extra trouble,—and if it be convenient to grind it at our few frontier mills which do something in that line, they can grind it in bond—as they once used to do. The statement made by various picnic speakers that a tariff on grain would stop our railways from carrying U. S. grain through to the seaboard, is a fabrication which I fear must have been well known to be such by the persons who used it. The result of a tariff on it would be—1. Canadians would get better and healthier bread—if such a paltry consideration can influence modern rulers). 2. Canadian farmers would get a better, quicker, and higher market for their wheat. 3. Canadian farmers would be saved the carriage of their wheat 3,000 miles—a thing which they may be sure is not done for nothing for them. As for the milling interest, American flour should not be allowed here duty free. All that can be ground should be ground here. It is very valuable to have the bran and other similar portions left here for cattle, and besides, one-tenth of every bushel, on an average, is paid for converting it into barrelled flour. If that be done here, it is so much more labour and pay to Canadian workmen. Moreover, give our millers plenty of grinding to do, and they will put in newer and better machinery, giving the farmer better return for his grist, and enabling themselves to produce a better article of flour for export. If you talk to any inland miller now he will tell you he would like improved machinery, but so much U. S. flour comes in that the quantity to be done here does not warrant the expense. As a rule, millers



are, too, injured, as are all our other trades, by their American rivals having free entrance here; themselves not having such on the other side. The American miller makes from the same wheat two sorts of flour—one fine and one poorer. He sells the former in the States—the latter in our Maritime Provinces. Our miller is at a disadvantage. If he had his own market, he could live and do well by his farming customers. If he had entrance to the States, he would do well. But he has neither, and does not thrive. It is but part of the great screw which Jonathan works to force Canada into annexation, which our free trade government are helping with all their might to turn. But it appears to the writer that Canadians are about to break the screw, and apply a protective engine which will turn matters the right way.

#### PROTECTION LOWERS PRICES.

There is nothing more utterly mistaken than the belief that Protection raises prices. The opposite always is the effect. Wherever manufacture is protected by duties manufacturers congregate and work against one another—each striving to produce better and cheaper goods. To give some instances:—In 1844 whilst foreigners were endeavouring to get the States' tariff of 1842 reduced, a number of merchants in Richmond, Virginia, published a comparative statement of wholesale prices of goods made up from actual sales in 1841 under the low "compromise" tariff, and in 1843, the first year of the high tariff passed in 1842. The list is long; those given are the most important articles:—

	1841.	1843.
American bar iron per ton	\$ 85	\$70 to \$75
English " " "	70	57
Swedish " " "	90	77
Tredegar, Richmond manufacture, bar iron per ton	90	81
American blistered steel per ton	115	95
Collins' best axes per dozen	18	14
Hollow castings per pound	4c	3c to 3½c
Flat iron " "	7	5½ to 6½
Anvils " "	12½ to 16½	9 to 14
Nails, Richmond make	5 to 5½	8½ to 4
Sack salt ranged from	1.90 to 2.25	1.60 to 1.65
Cotton Osnaburghs per yard	8 to 10	6½ to 7½
3-4 Brown Shirtings " "	6½ to 8½	4½ to 6½
4-4 " " " "	8½ to 11	6½ to 8½
6-4 " " " "	11 to 14½	8½ to 11½
Domestic Prints	12½ to 18	8½ to 12½

Spades and shovels were 20 per cent, and cross-cut saws 12½ per cent less. Wood-screws (they too, prohibited by duty) were 20 per cent lower and of a superior quality to those formerly imported. During the year 1840 large quantities of English prints were imported that cost from 22 cents to 28 cents per yard. In 1843 under the high tariff, prints of as good quality were produced in the States as low as 15 cents per yard, entirely excluding the former from the market. Irish linens were in 1841 duty free. In 1843, with a duty of 25 per cent, they were 20 per cent lower than in 1841. English and French cloths and cassimeres, paying a duty of 38 per cent in 1842 and of 40 per cent in 1843, had fallen not less than 20 per cent. The reader is asked to observe what took place in bullion. The importations of gold and silver for 1843 were \$23,000,000. For the two preceding years they summed up to but \$9,000,000. This always takes place under Protection. Under Free Trade the gold current flows, as stated in opening chapters, to the manufacturing land.

Another American writer publishes corroborative tables to above, and says of another period. "In Vermont, before Protection, *i.e.*, in 1820 to 1825, a day's labour would not purchase one-half as much cloth, sugar, or store goods generally, as it will now, (1871.)" In flannels, blankets, delaines, and cloths, a long list is given, all at lower prices in 1869 than 1859—1861, having been the year which high tariffs were last imposed. "The prices," he says, "of home manufactures, estimated in labour or farm products, tend steadily downwards. A hundred bushels of wheat or corn, a ton of beef or pork, a load of apples or potatoes, will buy far more iron, or cloth, or hardware, than they would in any anti-Protective era of our country." Another well-known instance of Protection cheapening manufactures is the beet sugar industry in France. For many years its manufacture was declared impossible as a paying speculation, but it was resolved to try what Protection would do, and a duty of 8 cents per pound was imposed, which in 1816 made raw sugar 12 cents per pound. But the manufacture now paying, many went into it, and the competition lowered the price till it was 5 cents. By 1837 it was so low that the country could afford to lay an excise tax on the manufacture, still protecting it from without. Since 1860 no foreign sugar has been able to compete with it in France, and it is now sent in large quantities to England—in fact has shut up most of the English factories. Germany and Russia have also protected this industry, and in 1863 there were 3,173 factories making it in Europe. But the thing to be noticed is that without Protection all these countries would still have been paying high prices for sugar grown in America, and probably refined in Britain. Another is a Canadian instance—that of salt. When our salt wells were discovered, near Goderich, (in unsuccessful boring for oil) the United States salt, as all will remember, was sold all through Canada, at prices much higher than we now pay. Hearing of our discovery the United States makers instantly commenced selling salt at less than it cost them, to crush out our wells, intending, as soon as this was done, to sell at the old prices, which would have kept salt as dear now as it was before we knew we could make it. Their capital was too large for us to compete with—our factories were closing. But we petitioned Parliament

and a heavy duty was imposed, shutting out the United States salt. Then many went into the business here, and salt is now cheaper than ever—we even send it to the States. Another instance is the Canadian boot and shoe trade. All old residents remember well that these were higher before we put on duties. Tariffs were imposed, many factories were established, and no one can deny that they are made cheaper with the tariff than they were before. To quote again from the United States debates (it is well to know their reasons, for they are ours) Mr. Stewart said:

The great and leading objection to the protective policy is that the duties are added to the price, and paid by the consumer. If this be unfounded, then opposition would cease. Now, how is the fact? What says experience? All experience proves that this objection had no existence save in the imagination of those who made it. Now, sir, I lay it down as a general proposition, that there never was a high protective duty imposed upon any article, from the foundation of the government to the present day, the price of which article has not been in the end reduced—greatly reduced—in many instance to one-half, one-third or even one-fourth of what it had been before these protective duties were imposed. This may seem to be a strong declaration; but I make it with a full conviction of its truth. I challenge to disprove it. I defy them to point out a single instance to the contrary. Let them examine, and they will find that whenever the duties have been the highest the prices have ultimately come down the lowest; and for a very obvious reason; high duties promote competition, and competition never fails to bring down the prices. Duties levied on articles we cannot produce (revenue tariff style) increase prices; duties levied on what we can produce always in the end diminish prices. The truth of both is proved by both by all experience. The immediate effect of a high duty for the moment may increase the price and profit of its manufacture; but this very increase induces capital to rush in, and the competition and increased supply bring down prices to the very lowest rates. As the gentlemen opposite had asserted that duties raised prices, they were bound to prove the truth of their proposition by stating facts. The man who asserted a thing to be a fact was bound to prove it. Mr. S. challenged any gentleman to put his finger on one solitary case where this assertion was true—where one protected article—the product of American skill and industry, had been permanently raised in price, after duties however high had been imposed for its protection. Mr. S. had challenged gentlemen, one and all, to point out a single article—a pin or a needle—the price of which had been increased after the imposition of a protective duty. He had called on them at the commencement of the session to hunt up some article. Nearly six months had elapsed, yet they had failed to find one; and he now called on gentlemen to point out one if they could. He heard no answer. No article could be found. The duty on coarse cottons had been increased 125 per cent. the price had fallen from 25cts. to 6cts. per yard, and instead of importing the article we export millions of dollars worth of it. On many grades of woollens the duty had been increased 100 per cent. and the price had fallen to less than one-half its former amount. The duty on window-glass had been increased 100 per cent., the price had fallen from \$14 to \$4 a box. Yet we are told that the duty is added to the price. The duty on calico is 8½c., and we are told that the man who buys it at its present price, 6c., pays the 8½c. duty out of the 6c. ! This is but a few out of a catalogue Mr. S. held in his hand. In another speech he describes—what Canadians would do well to consider—a former depression in the States produced as ours has been here. He said: “After the restoration of peace, in 1816, the duties were reduced one-half, except on a few articles. The country was inundated with foreign goods; our manufacturing establishments were destroyed, and the imports became so excessive that the balance of trade against us rose in two years to the enormous sum of \$11,000,000, bringing in its train the desolating scenes of 1818, 1819 and 1820.” After the tariff was re-enacted and heightened, prosperity returned, and he quotes this:—“He begged leave to mention a single fact, stated by a highly respectable merchant and manufacturer, then present: ‘Before the manufacture of cottons succeeded here, he sold them to farmers at 40c. per yard and bought the butter at 10c. per pound. Now he sold them better cottons he made himself, for 10c. and gave 20c. for butter.’” Canadian farmers are asked to observe, that in our own case, they never got as little for their beef, butter or eggs as since our government have driven many of our manufacturers from Canada. No wonder. People in Canadian cities *cannot* buy as when they got employment.

“Protection,” says Carey, “made cottons so cheap in England that her makers drove those of India, who had the world’s market, not only out of it, but out of their own. Protection to the woollen manufacture made woollens so cheap in England as to forbid competition in the distant markets of Russia and Germany, where the wool itself was grown. Protection to the iron had enabled the British to monopolize almost the iron manufacture of the world. Protection to British farmers (i.e. bringing manufactures there) had rendered them entirely independent of foreign markets, and made them able to buy more with the crop of an acre than could the Russian or German farmer with a dozen. Foreign nations saw this, and adopted protection themselves.

#### SELL IN THE DEAREST; BUY IN THE CHEAPEST MARKET.

It is a trick of the trader, which his agents here repeat continually, to tell Canadian farmers that they are doing this, which sounds very well. But the farmer is now asked,—Where do *you* sell and where do *you* buy? Is it not always in your own market? It is. The farmer may try distant buying, but it never continues a success for this reason—he cannot go there and stay long enough to buy profitably. As for selling, it never answers. The writer, when he happened to grow a large crop of wheat, has loaded cars and sent them to a distance, but found he had better have sold at home. Both in buying and selling, the farmer must sell to the trader. This little volume cannot spare space to explain *his* operations. Wherever you find him, he is one of a vast corporation who overspread sea and land which buys all the farm produce and all the manufactures and sells them again, making the farmers of Russia, India and California underbid each other in cheap selling of produce to the trader. Cheap selling means simply to take from him in return less manufactures. And this is steadily done, and to it many a Canadian farmer who has drawn enough from the soil to enrich himself thrice over, owes his stiffened limbs and his still narrow means. There is but one remedy—keep foreign work out—make it at home. People ask how can the workman make \$5 out of the farmer, and the farmer \$5 out of the workman? Nothing is more simple, if they pay to each other in future the surplus they now pay a crowd of people—who in regard of production are but drones—and who now stand between them. In this connection some very foolish pie-nic speeches may be noticed—it is no matter who by—in fact it is charity not to mention the speakers. They told the farmers:—True, we imported a good deal of oats, corn, peas, wheat, flour, etc., which competed with yours. But you know you bought it and sold it at a profit! Now, every farmer knew well that *he* did nothing of the sort. These articles simply leave a very small commission in any Canadian hands when passing through. The difference between the Chicago price and the Liverpool price the rail-



roads and ships take, and if these *should* make a dividend, it goes to the British shareholder. All that is left here besides is a little in wages, paid to employees who under Protection would find much more profitable freight to carry. The produce bought and consumed here yields a profit, of course ; but to the U. S. farmer, not to ours.

#### ADAM SMITH'S INCAPABILITY.

Many people, who have read him, and some who never have, pin their faith to this gentleman's sayings. He was a learned man, and a fairly acute reasoner. But his chief weakness—his utter incapacity for guiding us in trade—is this : He knew nothing about it. A child of ten years now knows more of to-day's trading system than he could. Here is his leading description :

"A broad-wheeled wagon, attended by two men and drawn by eight horses, in about six weeks' time carries and brings back between London and Edinburgh near four tons of goods. In the same time a ship navigated by six or eight men, carries and brings back between London and Edinburgh 200 tons of goods. Therefore, by land carriage, two hundred tons would take the labour and wear and tear of 50 wagons, 100 men and 400 horses for three weeks. By water only six or eight men, and the wear and tear of a small ship."

This is his weak point—he knew nothing of a railway, and therefore argued much to show the advantages of foreign trade—*i.e.*, shipping trade. His idea of home trade was very narrow—close to a town or two. But had he known the valuable possibilities of inland trade as developed by railways—the thousand profitable interchanges it renders possible, he would have written very differently. As it is he writes in the dark, so far as our age is concerned, and grown people should know better than to quote him on such subjects.

#### THE MARITIME PROVINCES.

It is pitiful to hear the statements made with reference to these. They are far better situated for manufacture than Massachusetts, being much nearer to tide-water, and having coal in any amount, while the other has none. They have the best harbours in the world. When Massachusetts began to manufacture largely, the States had but two millions ; we have four. The Maritime Provinces' population is so apt at manufacture that yearly large numbers leave there for the U. S. factories. Yet we are told that they wish to remain merely a poor fishing colony, and fear a tariff which would raise flour  $\frac{1}{4}$  cent per pound ! The fact is, as the writer is given to understand by residents, they are very willing, as a rule, to adopt protection, provided their bituminous coal has the Ontario market. This coal is used for factory purposes chiefly. The consumption is exclusively in cities and towns. The writer is certain that there is not in Ontario one city or town that would object to this coal tariff, under a general system of protection ; and this article alone would return to the Maritime Provinces twenty times what they would pay on flour. But what they would principally gain by would be the rapid increase of workshops among them. Their population in shop and in field would double in five years—their wealth quadruple in the same time.

#### THE SUGAR AND TEA TRADES.

Our government, in their free trade plan, have thought it wiser that we should buy our tea and sugar in the States. Once we could import the first direct from China, and the other raw from the West Indies, refining it here. A slight change in the tariff would allow us to do so still, but it was not granted, and the result is we can no longer import tea direct ; our Canada refineries are closed, and we import both tea and sugar from the States.

From this it follows that as we cannot take a back cargo, we cannot send goods profitably to the West Indies, or to Australia on the route to China. The end is that we have lost the tea trade and the refineries here ; it is doubtful whether we get sugar cheaper, it is certain we get worse tea, as the U. S. dealer sends us the poorer and keeps the best for the States ; and we have lost (what was the object of the States in the whole affair) the direct trade in each case, which would be very profitable. It is a fact that if you allow your neighbours to trade with you as they like, they will often be able to prevent you from trading profitably with others. A remarkable instance has just been given. It appears that our trade with the West Indies decreased nearly 9 per cent. from 1864 to 1874, being only about \$6,000,000. The United States trade, in the same time, principally there, but also adding the other South American trade, commenced with \$80,000,000, and increased to \$145,000,000. The writer has not space to give the computation which suggests itself ; but he has no hesitation in saying that with proper tariffs our trade to those markets would now yearly be half theirs, or \$70,000,000. Our free trade may have given us a cent on the sugar, but we have lost our refineries, which are closed ; lost the wages paid there, the profits made, and the workmen employed there. The loss of others working for those workmen—principally farmers—will quadruple it. So that it may fairly be considered Mr. Cartwright's policy may have saved something in the price of sugar, and lost to our farmers and mechanics much more, and to the country the great West Indian and South American trade.

#### THE ST. LAWRENCE CANALS.

In the enlargement of these lies the whole future of Canada. When they are rendered—as they easily can be—fit to pass a thousand ton vessel, the problem of communication is solved. The transit of all freight will be rendered much cheaper and easier. Coal can be brought up and flour brought down to much greater advantage than now. There will also be a large direct trade from the lake ports to those of the ocean. In other words, there will be a constant passage and re-passage of large vessels between Chicago, Fort William, &c., and Britain, the Mediterranean, Australia, China, &c. We shall then utilize what we have ever neglected—that in which we excel the world—our inland water-ways of 2,000 miles.



Objections and obstacles have been raised to this, principally from railway people fearing competition, from intermediate ports wishing to remain the seats of a useless transhipment; or from those who have not studied the matter. The writer finds by the history of past times, that such traffic is perfectly possible and easy, and he has received the testimony of those in Canada best qualified to judge, that it is certain, sooner or later, to be the chief mode of carriage between Canada and the outside world. The Dominion now buys about \$2,000,000 worth of bituminous coal yearly—the Maritime Provinces about \$2,500,000 worth of flour. With protection, we should use at once more like ten than two millions of coal, the quantity would ever increase, and we should buy the two articles of each other.

#### THE CRY OF TAXATION.

Statements intended to deceive Canadians on this subject are too common. For instance, that which calls all tariffs taxation. Revenue tariffs—which tax what cannot be produced here—are taxes. Protective tariffs do not represent the amount of taxation; but often the lessening of taxation. The *Loundes* and *Calhoun* tariffs, in the States, put 40 per cent. on cotton. The effect was so to help the cotton industry that cottons before 25 cents were sold profitably at 7 cents. The chief free-trade organ here—the *Globe*—has four times in the last few months quoted a speech to the following effect, from some Illinois politician—thrice in its editorial columns—who says the U. S. farmers' hammers, nails, ploughs, knives, sheets, blankets, shirts, coats, shoes and hats, Bibles, carpets, plates, knives and forks, salt, pepper, spice and tobacco are taxed 35, 50, 70, 150, and up to 379 per cent., his coffee 47 per cent. and his tea 78 per cent. The paper in question, in these four times, said once that the duties had since been modified, but always omitted to mention its knowledge (for the regulations had been very generally reported) that tea and coffee have come free into the U. S. ever since 1872. Every Canadian farmer is also well aware that most of these very articles are now so much cheaper in the States than elsewhere that we yearly import many of them. The *Globe* was challenged to name one article protection had rendered dearer in Canada, and could not. It was also publicly challenged by the present writer, some months ago, to allow him three letters explanatory of protection, in its columns, and would not. As to the prices and cost of living in the States, they are, considering the amount of *actual* taxation they voluntarily undergo to pay off their debt, very low. There is no doubt—no room for dispute—on the matter. In every State, in 1874, most minute returns of average retail prices of provisions, groceries, clothes, fuel and house-rent, were transmitted to Washington. It seems from these that farmers, in most parts, got better prices for eggs, butter, cheese and meat, in every town than they were getting here. Cloth and dry goods were no higher—some cheaper—than here. Tea was 80c. to \$1.20; coffee cheaper than here, about 35c. Board in the New England and middle States was about \$4.50. Wages were much higher than here. The returns from Illinois—the State the *Globe* has so paraded—give tea \$1.00, coffee 27c., sugar 11c., bleached shirtings 10c., ticking 25c., satinetts 65c., prints 10c., mousselin-de-laines 15c. What the farmer got was: eggs 20c., milk 6½c., potatoes 91c., cheese 18½c., butter 28½c., flour \$7.00, beef 8c. to 11c., mutton and pork 11c. to 12c.

#### CONCLUSION.

The writer wishes to press these points, in conclusion, on the notice of Canadian farmers and townsmen:—The home demand for farm products, in Canada, from non-farmers, is now four times what we export. The more factories we get, the greater that home demand. People who back up the great trading combination, which under the name of free trade, is draining the land of its strength, insist that Liverpool rules our prices. No distant port has any right to rule our prices. None buys from us to that extent. Secure our farmers their home market, and they will never want good prices nor good crops, for with a near market they can farm well and enrich their land, which now they cannot. Nor will any workman here, getting good wages and full work, as should be the case for many years under Protection, grudge fair prices for all farm produce. Let Indian ryot and Russian peasant raise wheat at famine prices—our farmers have had enough of being made sell as low as they. Nor is it fair that our workmen should be ever kept under the grinding pressure of foreign importations—the importers of which simply say to the Canadian workman—Work as low as those who make these, or starve. The simple explanation of how both farmers and mechanics can be advantaged is this: Our country is rich enough—we work hard enough—but it is steadily drained of all we make. Take this instance:—If we grow a million worth of barley and sell it for a million dollars and send them to Europe for a million worth of iron, the barley is gone, the money is gone, and in a few years the iron is used up—all is gone. But if we had—as we might—the iron workers here—the barley might be used, the iron used; but the money would never have left the land—it would by that time have circulated in all directions—would have went round and round, and given work and profit wherever it went. It is such management alone which can make us a prosperous nation—it would make us a very prosperous one. Emphatically, our great country, with its vast stretches of medium soils, can never prosper as a mere exporter of grain and cattle. Do its best, try every expedient—all will be useless. Natural and inexorable laws bar the way. But for the other prospect—that of a great and powerful country dependent upon itself alone for its food and manufactures—there is no land on earth better qualified. That way lies the path to greatness, to wealth, to national honor—broad, clear and open. There is another path—we are on it—it leads to our becoming a poor, dependent and despised portion of the United States. There is no third course.









